

COUNCIL AGENDA: 11-02-04

ITEM: 2.8

## Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** James R. Helmer

**SUBJECT:** APPROVAL OF A PARKING  
LOT LEASE AMENDMENT

**DATE:** 10-13-04

Approved 

Date 10/20/04

Council District: 3

### RECOMMENDATION

Approval of a Fourth Amendment to a Lease Agreement between the City of San Jose (City) and Boston Properties (dba BP Almaden Associates, LLP) in the amount of \$252,000 (\$21,000 per month) for the lease of the property commonly referred to as Almaden/Woz Way parking lot, located at 282 Almaden Boulevard. The proposed Fourth Amendment will extend the term of the Lease Agreement to December 31, 2005.

### BACKGROUND

The City currently leases the Almaden/Woz Way parking lot, owned by BP Almaden Associates, LLP. The current lease, approved by the City Council in November 2001 and amended in November 2002, December 2003, and May 2004, will expire on December 31, 2004. The lot supports parking for the Convention Center, Center for the Performing Arts, surrounding businesses and City Staff located in the old main library. Currently, the property owner holds land-use entitlements to build a three-tower office project, but has not begun construction on the project. Therefore, an extension of the parking lot lease for the site has been negotiated with the property owner.

### ANALYSIS

This 374-space parking lot primarily serves the area near the Convention Center, as well as parking for the City employees located in the old main library building. Although DOT staff requested a longer term for this Fourth Amendment, BP Almaden Associates has only agreed to a 12-month lease due to the site's potential for future development.

Under the Fourth Amendment, the annual cost to lease the 374-space parking lot is \$252,000 (\$21,000 per month, effective January 2005). The cost does not include utilities. The rental price

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represents an increase of 5% from the current lease. The Agreement also gives either party the option to terminate the lease by providing forty-five (45) days written notice. Should the developer elect to begin construction of the office tower project prior to the expiration of the lease extension on December 31, 2005, the City would relocate the current uses to other parking facilities in the vicinity of the Convention Center. The Director of Transportation is authorized to terminate the Lease Agreement for the City.

### **COORDINATION**

This agreement has been coordinated with the City Attorney's Office, Downtown Parking Board, and the City Manager's Budget Office.

### **PUBLIC OUTREACH**

N/A.

### **COST IMPLICATIONS**

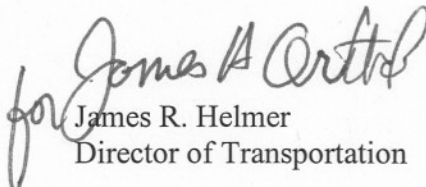
Currently, the average monthly net revenues of the Almaden/Woz Way parking lot are \$3,500 per month. Approval of the lease extension will likely result in a net revenue of approximately \$42,000 to the Parking Fund.

### **BUDGET REFERENCE**

Fund	Appn	Appn. Name	Total Appn	Amt. for Contract	2004-2005 Appn Ordinance	Last Budget Action (Date, Ord. No.)
533	0512	Non-personal/ Equipment	\$6,487,747	\$252,000	Section 8.01	N/A
		<b>Total</b>	<b>\$6,487,747</b>	<b>\$252,000</b>		

### **CEQA**

Not a project.

  
James R. Helmer  
Director of Transportation